

# INFORMATION LETTER

Not for  
Publication

NATIONAL CANNERS ASSOCIATION

For Members  
Only

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## N.C.A. Creates War Mobilization Committee

Canning industry problems and N.C.A. programs related not only to current world events but also to continuing progress in canning technology were the subject of discussion last week by Association committees, the Administrative Council, and the Executive Committee of the N.C.A. Board of Directors.

Beginning a week ago, on November 26, several of the Association committees reviewed N.C.A. activities and programs and made recommendations for subsequent years. Among the highlights of the various sessions were discussions of the status of government controls made necessary by world conditions.

From government administrators who spoke at the various N.C.A. meetings came these opinions, all based on conditions as of last weekend:

1. A comprehensive program of price controls will be postponed as long as possible.

2. Canned foods requirements for the armed forces next year will be announced as soon as possible.

3. Canners should be prepared, through industry advisory committees, to offer advice on such problems as price-wage controls, containers, and farm labor.

The government administrators who spoke to N.C.A. committeemen were Ralph S. Trigg, who as Administrator of PMA has charge of USDA's role in food controls; Ed Phelps, consultant with the Economic Stabiliza-

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### 1950 Pack of Sweet Corn

The total pack of canned sweet corn for 1950 is 21,645,243 actual cases, as compared with the 1949 pack of 33,138,318 cases, it is reported by the Association's Division of Statistics. This is a decrease of over a third below last year's pack.

On the basis of 24/2's, the 1950 pack amounted to 18,241,000 cases as compared with 29,795,000 cases in 1949.

The 1950 corn pack by state, region, and variety is reported on page 338.

The essentiality of canned foods as an offensive and defensive weapon under war and war-preparation conditions is recognized in the appointment by President Henry P. Taylor of an N.C.A. War Mobilization Committee. Authorization to name such a committee was voted by the Executive Committee of the Board of Directors at the conclusion of the meeting of the Administrative Council in Washington, December 2. President Taylor has appointed the following canners:

Milton E. Brooding, California Packing Corp., San Francisco, Calif.; Howard T. Cumming, Curtice Brothers Co., Rochester, N. Y.; Ralph O. Dulany, John H. Dulany & Son, Inc., Fruitland, Md.; Walter L. Graefe, Pomona Products Co., Griffin, Ga.; Fred C. Heinz, H. J. Heinz Co., Pittsburgh, Pa.; Marc C. Hutchinson, Michigan Fruit Canners, Inc., Fennville, Mich.; H. J. Krimendahl, Stokely-Van Camp, Inc., Indianapolis, Ind.; Carroll E. Lindsey, Lakeland Highlands Canning Co., Highlands City, Fla.; Harry E. MacConaughy, Hawaiian Pineapple Co., Ltd., San Francisco, Calif.; John F. McGovern, Green Giant Co., Le Sueur, Minn.; E. A. Meyer, Richmond-Chase Co., New York, N. Y.; Robert C. Paulus, Paulus Bros. Packing Co., Salem, Ore.; Emil Rutz, Schuckl & Co., Sunnyvale, Calif.; Oliver G. Willits, Campbell Soup Co., Camden, N. J.; and E. E. Willkie, Libby, McNeill & Libby, Chicago, Ill.

As authorized by the Executive Committee of the Board, the War Mobilization Committee will be headed by President Taylor and will act as advisers to him in all steps involving canning industry preparation to carry out a war effort. A group of subcommittees is being formed to deal specifically with such special functions as crop controls; labor supply and Selective Service; containers; machinery equipment and supplies; procurement; transportation; financing; and wage and price controls. Because of the widespread importance of these last two functions, however, the Committee may function as a committee of the whole when considering them. Other functional subcommittees may be established as the need arises.

The government agencies now set up to manage mobilization controls were advised this week by a group from the N.C.A. War Mobilization Committee that the canning industry is once more prepared through its national association to play its full part in the present war emergency situation and in any future crisis in which the nation finds itself.

## STATISTICS

## Stocks of Canned Corn

A report on canners' stocks and shipments of canned corn has been compiled by the Association's Division of Statistics, and a complete report has been mailed to all canners packing this item.

## Canned Corn Stocks and Shipments

	1949-50	1950-51
	(actual cases)	
Carryover, Aug. 1.....	4,112,712	6,466,680
Pack.....	33,138,318	21,645,243
Total supply.....	37,251,030	28,111,923
Stocks, Nov. 1.....	29,030,227	18,842,818
Shipments, Aug. 1 to Nov. 1.....	8,220,803	9,269,105

## 1950 Pack of Sweet Corn by Variety and Region

Variety	East	Midwest	West	Total
	(actual cases)		(actual cases)	
Country Gentleman cream style.....	9,626	1,900,607	.....	1,910,233
Country Gentleman whole kernel.....	366,637	60,048	.....	426,685
Other white, cream style.....	33,995	518,531	.....	552,526
Other white, whole kernel.....	118,046	70,484	.....	188,530
Golden Bantam, cream style.....	2,099,761	5,661,998	1,840,231	9,602,990
Golden Bantam, whole kernel.....	1,587,173	6,186,986	1,185,030	8,959,189
U. S. Total.....	4,215,238	14,398,744	3,031,261	21,645,243

## Wholesale Distributor Stocks of Canned Foods

A summary showing wholesale distributor and canner stocks of specified canned foods, compiled by the Bureau

of the Census and combining canners' stock totals of the N.C.A.'s Division of Statistics, is shown below:

## Wholesale Distributor and Canner Stocks of Specified Canned Foods

(Includes warehouses of retail food chains)

Commodity	July 1, 1950		November 1, 1950		November 1, 1949	
	Distributors	Canners	Distributors	Canners	Distributors	Canners
(thousands of actual cases)						
<b>Vegetables:</b>						
Beans, green and wax.....	3,561	1,620	4,981	n.a.	3,959	n.a.
Corn.....	6,856	8,294	8,248	18,843	7,090	29,030
Peas.....	4,150	n.a.	8,650	16,766	6,402	15,757
Tomatoes.....	4,027	1,868	6,572	n.a.	5,984	n.a.
Asparagus.....	1,539	n.a.	1,896	.....	1,417	.....
Beans, lima.....	1,456	n.a.	1,775	.....	1,363	.....
Beets.....	1,512	830	1,769	.....	1,433	.....
Carrots.....	550	529	452	.....	396	.....
Tomato catsup and chili sauce....	2,458	2,796	3,777	n.a.	3,153	n.a.
<b>Fruits:</b>						
Apricots.....	648	n.a.	1,220	1,906	1,064	2,123
Fruit cocktail.....	2,104	.....	3,098	6,206	2,044	8,465
Peaches.....	3,831	.....	6,269	8,387	4,939	14,550
Pears.....	630	.....	1,053	n.a.	963	n.a.
Pineapple.....	3,656	.....	5,771	4,794	1,513	7,192
Applesauce.....	907	n.a.	1,294	n.a.	740	n.a.
Cherries, red pitted.....	525	30	1,192	1,889	868	1,290
Cherries, sweet.....	476	n.a.	612	720	608	1,033
Grapefruit segments.....	587	1,213	497	252	332	106
Plums and prunes.....	562	n.a.	451	786	432	1,139
<b>Juices:</b>						
Tomato.....	2,975	3,004	4,706	n.a.	3,430	n.a.
Grapefruit.....	1,340	2,626	1,091	849	561	65
Orange.....	1,787	3,488	1,635	694	954	23
Citrus blend.....	728	1,437	696	700	446	80
Pineapple.....	1,989	n.a.	2,498	5,588	776	5,550

n.a.—Not available. <sup>1</sup> Includes fruit for salad and mixed fruits (except citrus). <sup>2</sup> Canners' stocks cover Florida only; reported on No. 2 basis—not actual cases. <sup>3</sup> Includes also vegetable juice combinations containing at least 70 percent tomato juice.

Sources of canners' stocks: National Canners Association, Pineapple Growers Association of Hawaii, and Florida Canners Association.

## 1950 Corn Pack by States

State	1949	1950
	(actual cases)	
<b>East:</b>		
Me., Vt., & N. H.....	1,136,078	593,408
New York.....	1,569,893	1,325,522
Md. & Del.....	1,936,118	1,670,641
Pennsylvania.....	692,823	625,667
Other states.....	.....	.....
<b>Midwest:</b>		
Ohio.....	1,067,200	771,685
Indiana.....	1,471,021	703,324
Illinois.....	5,864,585	4,105,975
Wisconsin.....	7,817,994	3,043,527
Minnesota.....	6,035,347	4,405,440
Iowa & Nebraska.....	2,001,353	1,018,513
Other states.....	293,848	260,280
<b>West:</b>		
Western states.....	3,232,022	3,031,261
U. S. Total.....	33,138,318	21,645,243

## DEFENSE

Defense Fisheries Agency  
Created by Interior Secretary

A "Defense Fisheries Administration" is among the four new defense agencies established by Secretary of the Interior Oscar L. Chapman on December 4 to carry out functions vested in him under the Defense Production Act of 1950.

The other new defense agencies are the Defense Materials Administration, Defense Power Administration, and Defense Solid Fuels Administration. A Petroleum Administration for Defense was established by Secretary Chapman October 1.

Albert M. Day, Director of the Fish and Wildlife Service in the Department of Interior, was appointed Administrator of the Defense Fisheries Administration.

In his order establishing the new agencies, Secretary Chapman said he was delegating to them "all of the functions and powers vested in the Secretary of the Interior by Executive Order 10161 and by subdelegations made to him under that order," but the Secretary reserved to himself the following:

"(a) the approval of the redelegation by an Administrator of any of the powers delegated to him by the Secretary of the Interior;

"(b) the creation of advisory committees, and the establishment of policies respecting the composition, appointment of members, and operation of such committees;

"(c) the exercise of the powers and the performance of the functions respecting voluntary agreements and programs delegated to the Secretary of the Interior by Section 701(b) of Executive Order 10161;

"(d) the exercise of the powers and the performance of the functions respecting the guarantee of loans and the certification of loans, purchases, and commitments delegated to the Secretary of the Interior by Part III of Executive Order 10161;

"(e) the employment of persons under Section 710 of the Defense Production Act of 1950 and the obtaining of exemptions under that section;

"(f) the requisitioning of property;

"(g) the making of recommendations with respect to necessity certificates in regard to amortization;

"(h) the approval of all industry orders, and amendments, which the Administrators formulate;

"(i) the approval of major policy or program actions which the Administrators propose to take;

"(j) the maintenance of all inter-agency relationships with respect to matters which are common to the areas of responsibility covered by the defense administrations, including representation on the policy level with the National Security Resources Board, the National Production Authority, the Executive Office of the President, and other major agencies concerned with defense production, and the Congress; and

"(k) the establishment of general policies and procedures respecting the exercise of powers and the performance of functions vested in the Secretary of the Interior by or under Executive Order 10161 and matters of internal administration."

In addition to Mr. Day, the following were appointed by Secretary Chapman to head the new defense agencies:

Administrator of the Defense Minerals Administration—James Boyd, for several years Director of the Bureau of Mines.

Acting Administrator of Defense Power Administration—Loring Marlett, who is Assistant Administrator of the Bonneville Power Administration.

Acting Administrator of Defense Solid Fuels Administration—Dan H. Wheeler, Assistant Director of the Department's Office of Territories and formerly a director of the Bituminous Coal Division and during the war the Director of the Solid Fuels Administration for War.

In establishing the Petroleum Administration for Defense last October, Secretary Chapman designated himself as Administrator. He subsequently appointed Bruce K. Brown Deputy Petroleum Administrator.

## NPA Orders and Amendments

The M-1 and M-6 steel and steel distributors orders were amended by the National Production Authority December 1 to provide for more efficient production schedules. M-1 amendment provides that non-integrated steel mills are to receive an equitable share of steel from integrated mills after rated orders and NPA directives are filed. The amended orders stipulate, product by product, the minimum time in which delivery may be required under rated orders.

### Aluminum

M-7, aluminum, amended, modifies the limitations of the original order. January non-defense usage is permitted at 80 percent, February at 75 percent, instead of 65 percent each quarter, as provided in the original

order. No figure is set for usage of aluminum in subsequent months.

### Rayon

M-13, rayon, provides for the equitable distribution of defense orders among producers of high tenacity yarn. The order provides, beginning January 1, 1951, (1) that producers need not accept rated orders received less than 30 days prior to the first day of the month in which shipment is requested, and (2) that no producer need accept rated orders in excess of 10 percent of his scheduled production. The NPA said that only six concerns make high tenacity yarn, which is used primarily in the manufacture of tires.

### Nickel

M-14, nickel, limits consumption of primary nickel, beginning January 1, 1951, to 65 percent of the average quarterly consumption during the first six months of 1950. Exceptions in nickel usage are made for maintenance, repair, and operating supplies at the rate of 100 percent of the average quarterly use during the base period. Inventories of primary nickel are limited to a 30-day supply, or a practical working minimum, whichever is less.

### Zinc

M-15, zinc, limits the non-defense production and use of zinc, beginning January 1, 1951, to a quarterly average of 80 percent of the production or use during the first six months of 1950. The use of zinc in any single month during the quarter may not exceed 40 percent of the total permitted in the quarter. Zinc for maintenance and repair is limited to the amount used during the base period. Exempt are certain highly specialized uses of zinc as well as that used for electroplating where it replaces cadmium.

## PUBLICATION

### Technical Reports

The application of university research to the solution of an industrial problem in the pear canning industry is discussed in the feature article of the November *Bibliography of Technical Reports*, available from the Office of Technical Services of the U. S. Department of Commerce. The bibliography is available from the Commerce Department or at any of its field offices for 50 cents a copy.

The bibliography also lists 261 reports relating to technical and scientific data in other fields.

## SUPPLIES

### Exports of War Potential

Strict controls over shipments of foreign origin which enter United States ports or pass through any area under U. S. jurisdiction, en route to the USSR and its satellite countries in Europe, and to China, Hong Kong, and Macao, were established December 3 by the Office of International Trade, U. S. Department of Commerce.

Among the shipments which reportedly passed through U. S. ports on the way to China recently were over 19,000,000 pounds of tin mill products, including "waste."

Tin mill products are on the OIT's Positive List, requiring a validated export license before they can leave U. S. ports. The new order is designed to prevent shipments of such products, regardless of origin, to certain areas.

### Shipments of Metal Cans

Shipments of metal cans for selected food products for August and September of this year are reported by the Bureau of the Census, U. S. Department of Commerce, as follows:

	Aug. 1949	Sept. 1950	Sept. 1949
(in short tons of steel)			
Fruit and vegetable (including juice).....	258,029	193,408	193,332
Fish and seafood.....	18,721	15,390	18,256
Meat, including poultry	12,628	10,880	10,000

### Tin in French Africa

Potential deposits of strategic materials, including tin, have been discovered in French Africa. To help the French gain information on the use of mining equipment and on methods of ore recovery, the Economic Cooperation Administration has arranged for a tour in this country by four French engineers who will inspect mining operations and discuss American methods.

### Maraschino Cherry Containers

A Proposed Revision of Simplified Practice Recommendation R197-46, Glass Containers for Maraschino Cherries, has been submitted by the Commodity Standards Division of the Office of Industry and Commerce, U. S. Department of Commerce, to producers, distributors, users, and others interested, for acceptance or comment.



The current proposed revision was initiated by packers of Maraschino cherries in cooperation with the Committee on Container Design and Specifications of the Glass Container Manufacturers Institute, Inc., and has been approved by the standing committee of the industry which was appointed to maintain the recommendation abreast of current developments and best industry practices.

Certain changes in dimensions of wide-mouthed jars and the large-sized jars for Maraschino cherries are covered in the proposed revision. Recommended sizes and dimensions for the vase-shaped bottles are not included in the proposed revision as this type of container for Maraschino cherries is fast going out of use and the demand is decreasing rapidly, according to OIC.

Copies of the proposed revision of SPR R197-46 may be obtained from the Commodity Standards Division.

## STANDARDS

### U. S. Supreme Court to Review Case of Alleged Misbranding

The U. S. Supreme Court has recently agreed to review the decision of the Court of Appeals for the 10th Circuit in a case which may do much to settle the status under the Federal Food and Drug Act of foods which resemble foods for which definitions and standards of identity have been established but which fail to conform to such standards. The issue involves the relationship between, and the meaning to be given to, Section 343(c) of the Act, which bans a food in imitation of another food unless its label bears the word "imitation" immediately preceding the name of the food imitated, and Section 343(g), which declares a food misbranded if it purports to be or is represented as a standardized food and fails to conform to the standard.

The District Court (*U. S. v. 62 Cases of Jam*) rejected the government's contention that an article of food for which definitions and standards of identity have been established cannot lawfully be imitated and sold as an imitation of such article of food, even though properly labeled as an imitation. The Court of Appeals reversed this decision on the strength of a finding that it was the Congressional intention to permit departures

from standards of quality and fill of container where such departures are shown by truthful labeling, but not to permit a departure from a definition and standard of identity, even though such departure is disclosed by the label. The court ruled that imitation jam which is bought, sold, and ordered as jam and looks and tastes like jam, but which does not conform to the standards of identity for jam, is "misbranded" within Section 343(g) of the Food and Drug Act even though it is labeled as "imitation jam."

Considerable confusion was added to the issue, however, by a statement in the Court of Appeals' opinion acknowledging the right of the manufacturer to market the product under a label designation not including the word "jam."

### State Fruit Juice Standards

Industry and N.C.A. representatives conferred on December 4 with food officials of the State of Massachusetts regarding the proposed New England standards of identity for non-carbonated beverages and the propriety of including fruit juices, fruit nectars, and their concentrates in the "beverage" category. This was a special conference granted to the canning industry for presentation of its views (see INFORMATION LETTER of November 11, page 315).

In preparation for this hearing, canners of fruit juices and nectars in the various areas held meetings which were followed by an industry meeting at Association headquarters on December 2 and 3. On behalf of the entire industry, a statement was prepared emphasizing that canned fruit juices and canned fruit nectars should not be regarded as beverages but as canned liquid fruit foods. The statement also pointed out the difference in the manner of merchandizing the two groups of products, and the labeling difficulties that would result from application of the proposed regulation. It also offered suggestions for standards for canned liquid fruit foods in case such standards should be deemed necessary.

At the meeting in Boston, the state food officials appeared to be impressed with the serious study which the industry had given the proposals. They indicated that their principal aim had been control of beverages offered for sale in Massachusetts and that there had been no intention of discriminating against canned fruit juices and fruit nectars. Assurance was offered that the entire matter will be given

thorough consideration and that regulations will not be issued hastily.

Copies of the statement submitted to the Massachusetts officials have also been sent to officials of the other New England states for their information. Arrangements have been made for distribution of copies to canners in the principal areas affected, and additional copies are available on request from Association headquarters.

## FOREIGN TRADE

### Cuban Tax on Fruit Juices

Cuba's internal tax classification of natural fruit juices with sugar added, both imported and locally produced, has been changed by a resolution of the Ministry of Finance, according to *Foreign Commerce Weekly*.

Natural fruit juices with sugar added, but not containing alcohol or carbonated water, formerly were taxable as artificial drinks at a rate of 2.75 percent of total cost, minus 20 percent for locally produced juices, plus a tax of 5 cents per 9 liters. Under the new classification, they are taxable as food articles at a rate of 6 percent of total cost, minus 20 percent for locally produced juices. Further, such juices are no longer affected by the tax of 5 cents per 9 liters.

### Forthcoming Meetings

- December 12-13—Ohio Canners Association, Annual Convention, Dushier-Wallick Hotel, Columbus
- January 11-12—Canners League of California, Annual Fruit and Vegetable Sample Cuttings, Hotel Fairmont, San Francisco
- January 23-25—Indiana Canners Association, Canners and Fieldmen's Conference, Purdue University
- February 1-2—Ozark Canners Association, 43rd Annual Convention, Colonial Hotel, Springfield, Mo.
- February 12-13—Canadian Food Processors Association, Annual Convention, Ritz-Carlton Hotel, Montreal
- February 17—Peanut Butter Manufacturers Institute, Annual Meeting, Morrison Hotel, Chicago
- February 17-24—Annual Conventions of National Canners Association, National Food Brokers Association, and Canning Machinery & Supplies Association, Chicago, Ill.
- February 19-20—National Preservers Association, 32nd Annual Meeting, Morrison Hotel, Chicago
- March 7-8—Utah Canners Association, 39th Annual Convention, Hotel Utah, Salt Lake City
- March 12-14—Northwest Canners Association, Annual Meeting, Davenport Hotel, Spokane, Wash.
- March 19-20—Canners League of California, Annual Meeting, Hotel Biltmore, Santa Barbara
- April 17-20—American Management Association, 29th National Packaging Exposition, Atlantic City, N. J.

## MEETINGS

### N.C.A. Speakers Address State Association Meetings

N.C.A. President Henry P. Taylor, Vice President H. J. Barnes, and Secretary Carlos Campbell gave principal addresses this week at annual conventions of state and regional canners associations.

President Taylor spoke at the annual convention of the Association of New York State Canners, Inc. Vice President Barnes addressed the Maine Canners Association at its annual meeting. Mr. Campbell spoke at the annual convention of the Tri-State Packers Association and at the annual meeting of the Georgia Canners Association.

Earlier in the week, Mr. Taylor addressed the annual meeting of the Canned Foods Association of Ontario on "The Need for Unity."

In his address before the New York canners, Mr. Taylor asserted that the canning industry will contribute strength to America in its hour of need by fulfilling the prime objective of producing food for armed services and the civilian population.

"Our contribution to the war effort," he said, "involves the production of the raw product, its processing, storage, and distribution." Pointing out that there may not be enough manpower and materials to meet all needs of the armed services and civilian populace, Mr. Taylor indicated the probability of government controls limiting use of these essentials to the production of things "necessary to the defense effort and vital to the health and safety of the home front."

The severity of such controls will depend upon the urgency of the need for them, he asserted. He warned canners to exercise self-control so as not to endanger through selfishness an adequate supply of materials and manpower to other canners or to other essential uses.

"We must look at this question from two points of view," Mr. Taylor stated. "Our duty to our country and our duty to ourselves. There should be no conflict here. All that we have and do and are is made possible by our country. Anything that threatens to destroy it also threatens the destruction of those things that are dearer to us than life itself. We cannot ask our boys to lay down their lives for their country and not be

willing to make comparable sacrifices ourselves."

#### Vice President Barnes

Vice President Barnes assured Maine canners that the canning industry, through the N.C.A., is geared to play its part in any war or emergency situation.

Mr. Barnes reviewed the contributions made by the N.C.A. to the war effort of 1940-45, and pointed out that "we have no cause to fear future emergencies, considering the strength and adaptability we possess and have demonstrated."

#### Secretary Campbell

Canned foods are a vital offensive and defense weapon in modern war and it is time that government control agencies recognized their essentiality. Mr. Campbell told the Tri-State Packers Association.

"Under an atomic bomb attack, with transportation and electric power systems knocked out, only one product could be relied upon to save the lives of thousands of people, and that product is canned foods," he said. "In their hermetically sealed containers canned foods, for the most part, would be unaffected and, under horrible disruption of the normal life of the populace, would be the only source of food and drink for the unfortunate victims of the attack. Most important of all, as scientific authorities have pointed out, the deadly rays that emanate from the atomic bomb will not penetrate the tin or glass container in which canned foods are packed. The populace so fortunate as to have on hand a supply of canned foods could feed itself without outside assistance and with confidence that their food would not be radioactive," he stated. "Tanks, guns and the munitions of war are useless without food and clothing for the men who use these war machines."

Mr. Campbell maintained, therefore, that canned foods must be recognized by the various government control agencies as essential to the defense program, essential to armies in the field, and equally as essential to the civilian populations at home. "This recognition should carry with it a high priority for the use of the metals and materials used in the manufacture of canning machinery and other equipment needed in the canneries. Canned food must have first call on the nation's tin and glass container supplies," he argued. Such recognition was granted in World War II, Mr. Campbell pointed out.

### N.C.A. Council and Committees

(Concluded from page 337)

tion Agency; Brig. Gen. A. D. Hopping and Lt. Col. W. F. Durbin of the Office of the Quartermaster General; Robert J. Small and Herman B. Es-selen, who handle tin and glass, respectively, in the National Production Authority; and Arthur W. Motley, Assistant Director, and Don Larin, Chief of the Farm Placement Service, of the USES.

Pertinent statements made by these speakers are summarized:

#### Price-Wage Controls

The ESA has only a few permanent employees, and its task has been chiefly the recruitment of personnel willing to serve if needed. Events in Korea point up the need to accelerate recruitment, and ESA may soon become a working agency.

It is not too early for canners to be thinking of potential members for an industry advisory committee and for working positions in ESA.

Under terms of the Defense Production Act, ceiling prices on food cannot legally be established or maintained at prices below parity. Because the general level of retail food prices does not now reflect parity, it would be illegal to establish price ceilings on food at this time. However, in event of a full-scale mobilization for war, it might not take long for the price of grains and other agricultural commodities to rise sufficiently to raise food prices generally above parity. Then price ceilings on foods would become legal.

The price-wage controls of the Act differ from World War II provisions in this respect: When price controls are applied to the products of an industry, wages generally will be frozen. Although the Act itself does not require the close consultation between ESA and USDA such as existed between OPA and WFA, it is expected that ESA will work closely with USDA.

NSRB has made available to ESA its canning industry task force report completed two years ago. The report contains recommendations on how to simplify World War II controls on canned foods and the canning industry and how to avoid certain administrative faults.

#### Procurement

Because there has been no declaration of an emergency by the President, the QMC must continue to operate on

a peacetime basis, under laws and regulations governing peacetime procurement.

The QMC is trying to enlarge its buying organization and to get men in the field, near sources of supply. Efforts are being made to simplify buying procedures.

Requirements for next year await Congressional determinations of the size of the armed forces. However, QMC will try to announce requirements for next year as early as practicable, in terms of both quantities and can sizes. In the meantime, QMC wants the standard can sizes and particularly No. 10's.

#### Containers for Food

Based upon can shipments during the first three quarters of the current year, 1950 will set a new all-time high record for shipments by the industry. During the same nine-month period, shipments of food cans were 6.4 percent above shipments in the same period of 1949. Assuming that shipments will increase at the same rate over the last three months of this year, total can shipments for the year should exceed 1949 by approximately 10 percent.

The NPA soon may seek advice from container industry advisory committees.

#### Agricultural Labor

The establishment of an office of Defense Manpower in the Labor Department and the appointment of Robert C. Goodwin as Executive Director was reported and a distinction made between the present defense manpower activities of the Director and those of the old War Manpower Commission. It was explained that the Office of Defense Manpower will not be an action agency but will be a coordinating and planning office. Action programs will be carried out by the appropriate branches of the Labor Department with the United States Employment Service handling labor supply problems.

A National Management-Labor Committee will be appointed soon, along with local management-labor committees. Representatives of agricultural processing and agriculture will be on the national committee and on the local committees where appropriate.

In anticipation of the need for a foreign and off-shore agricultural labor force of 300,000, surveys are under way of the numbers of workers that may be available from the British West Indies, Mexico, Puerto Rico,

South and Central American countries, and Hawaii. Likewise, plans have been developed to meet agricultural labor needs on the basis of three degrees of emergency: (1) The Korean situation, (2) a greater emergency, and (3) a full war mobilization.

#### N.C.A. Meetings

The meetings of N.C.A. committees at Association headquarters began November 27 and continued all week. Several of the committees met to study programs of the various N.C.A. divisions and to make budget recommendations to the Budget Committee.

The following Association committees met during the week: Scientific Research Committee, Home Economics Committee, Labeling Committee, Budget Committee, Tax Committee, Legislative Committee, and the Executive Committee of the Board.

The Nutrition Executive Committee, consisting of representatives of the Can Manufacturers Institute and the N.C.A., met on November 27 and 28 to consider future work in the joint nutrition research program. Approval was given to three projects, subject to completion of financing arrangements. One project would be an expansion of the product survey which was an earlier phase of the nutrition research program, another would be continuation of studies on special dietetic packs, and a third the preparation of a bulletin on results of nutrient retention research already done.

#### Research Committee

The Association's Committee on Scientific Research met November 29 and 30 with the directors of the Washington and Western Laboratories to review activities of the Laboratories in 1950 and those proposed for 1951. The Committee was particularly interested in several proposed long-range projects. One of these is the development of constructive measures for cannery water conservation, especially in those areas where water supply is becoming a serious problem. It also appeared that control of pesticide residues will require continuing study, and that the investigation of antibiotics which have been proposed as food preservation agents should be continued.

#### Home Economics Committee

The Home Economics Committee considered the following in relation to the work of the Home Economics Division: A recapitulation of the activities of the Division during 1950 and the costs incurred; an estimate

of possible fields of work for the Division in the future, together with budget estimates adequate to meet such opportunities; and preparation of the budget for the Division.

It was the consensus of the Committee that the Division now is equipped with facilities and personnel to accomplish much broader and more profitable results for N.C.A. The Committee decided, therefore, that its presentation to the Budget Committee would be predicated on viewing the greater possibilities ahead of the Division rather than itemizing specific requirements for continuing the Division's work at its present level.

#### Labeling Committee

The Labeling Committee on December 1 studied possible steps in expanding the voluntary use of standardized descriptive terms on labels for canned foods. Methods of enlisting voluntary support of the program by N.C.A. members were discussed in detail.

The Committee also decided to explore sources of information currently available for securing early information on laws and regulations under consideration by the various state governments affecting labeling practices on canned foods sold within the states. Cooperation with labeling programs of other industries, such as the plastics and textile industries, which have devoted appreciable time and thought to the development of labeling practices, was approved for the purpose of exchanging information.

#### Color of Raw Tomatoes

A special conference to study possibilities of using objective methods of measuring color of raw tomatoes was held December 1. The meeting was called by the N.C.A. Raw Products Research Bureau and was attended by approximately 85 tomato canners, technical men, research men, and experiment station personnel. The program consisted of the following: Background for color measurements, by Dr. Dean B. Judd, Chief of the Colorimeter Section, National Bureau of Standards; Instruments for color measurement of agricultural products, Miss Dorothy Nickerson, U. S. Department of Agriculture; Results of the cooperative experimental project No. 1 in New Jersey on measuring color of raw tomatoes, Dr. S. G. Younkin, Campbell Soup Co., Riverton, N. J.; Results of the cooperative research project No. 2, "Colorimetric Grading with Visual Color Grading of Tomatoes," Dr. W. A. MacLinn, New Jersey Agricultural



Experiment Station; Correlation of objective measures of color of raw tomatoes with the finished tomato product, Dr. A. Kramer, University of Maryland Experiment Station, College Park, Md.; concluded with a general round table discussion of results and methods.

#### Administrative Council

At the morning session of the Administrative Council on December 2, there was a discussion of budget proposals for the N.C.A. for 1951, led by John F. McGovern, Chairman of the Budget Committee. This committee had met earlier for a thorough analysis of current and proposed budgets for N.C.A. activities.

Following this, a report on the Food and Drug pesticide tolerance hearings was given by Dr. Charles H. Mahoney, Director of the Association's Raw Products Bureau.

Art Oppenheimer reported that the Tax Committee, of which he is Chairman, had studied the excess profits tax bill, H.R. 9827, and had agreed on two points: (1) that no tax bill should be retroactive in its effect, and (2) that if invested capital is to be a base in the excess profits tax bill, as in H. R. 9827, there should be a 100 percent allowance for borrowed capital.

H. T. Austern, Joel Barlow, and Walter A. Slowinski of Association Counsel discussed in detail the excess profits tax bill, regulations permitting accelerated amortization of emergency facilities, renegotiation, and defense loans.

Association Counsel has prepared a summary of the excess profits tax bill, H.R. 9827, which has been passed by the House, and this summary is reproduced in full on this page, at right.

#### Fruit Juice Standards

Canners of fruit juices and fruit nectars have been concerned over proposals for standards recently issued by the Massachusetts Department of Public Health. Aimed at the regulation of non-carbonated beverages, the proposals would impose new labeling and other difficulties on canners of fruit food products. Following local meetings in the several producing areas, representatives of the local groups met at Association headquarters on December 2 and 3 to draft a statement setting forth the industry's views and recommendations. The completed statement was presented to the Massachusetts authorities in Boston on December 4, at a special meeting arranged for this purpose by the Association.

## CONGRESS

### Summary of H. R. 9827, Corporate Excess Profits Tax Bill

Following is a summary, prepared by Association Counsel, of H. R. 9827, which would establish a tax on "excess profits" earned by corporations. The bill was reported by the House Committee on Ways and Means on December 1 and was passed by the House on December 5.

H. R. 9827 follows generally the pattern of the excess profits tax in effect during World War II. It would be retroactive to July 1, 1950. As under the wartime statute, an excess profits credit would be allowed, computed under the average base period earnings method or the invested capital method.

#### Average Base Period Earnings Method

For most taxpayers the base period would consist of 48 months from January 1, 1946, to December 31, 1949. For taxpayers on a fiscal year ending on or before March 31, the base period would consist of the 48 consecutive months ending on the last day of the fiscal year ended in 1950.

Each taxpayer might eliminate from its base period any 12 consecutive months, the elimination of which would produce the highest average base period net income.

A special growth formula would be available to a taxpayer having commenced business before the beginning of the base period, if its total assets did not, as of the beginning of the base period, exceed \$20,000,000, and if its total payroll for the last half of the base period were 180 percent or more of its total payroll for the first half of the base period, or the gross receipts for the last half of its base period were 150 percent or more of its gross receipts for the first half of its base period.

For most taxpayers, the excess profits credit based on income would be the sum of 85 percent of the average base period net income plus 12 percent on the net capital additions minus 12 percent of the net capital reduction for the taxable year. Further adjustments would be made for additions and reductions of borrowed capital.

#### Invested Capital Method

The basic equity capital credit if adjusted equity capital is not over \$5,000,000 would be 12 percent of the adjusted equity capital; on over \$5,000,000 but not over \$10,000,000 adjusted equity capital, the credit would be \$600,000 plus 10 percent of the excess over \$5,000,000; on over \$10,000,000 adjusted equity capital the credit would be \$1,100,000 plus 8 percent of the excess over \$10,000,000.

The borrowed capital credit proposed in H. R. 9827 is an amount equal

to one-third of the deduction allowable for such year with respect to interest on borrowed capital plus one-third of the interest element accrued or paid on conditional sales contracts; except that the credit could not exceed 3 percent of the average borrowed capital for such year.

#### Excess Profits Tax Rate

The rate on excess profits would be 30 percent of the adjusted excess profits net income (75 percent of excess profits net income when the present 45 percent normal tax and surtax rates are combined with the excess profits tax), or an amount which equals 67 percent of the corporation surtax net income, whichever is lesser.

#### Minimum Credit

No specific exemption of \$10,000 is provided in the new bill, but a minimum credit of \$25,000 has been included.

#### Unused Excess Profits Credit Carry-over and Carry-back

An unused excess profits credit could be used as a carry-back for the preceding taxable year, and as a carry-over for the five succeeding taxable years. This is similar to the provisions now applicable for net operating losses under Section 122(b) (2) of the Internal Revenue Code.

#### Other Provisions

Sections 442 and 443 of the new bill would provide for adjustments in the average base period net income where there were certain abnormalities or changes in production or services during the base period. However, there is no relief provision similar to Section 722 of the wartime excess profits tax statute.

Special provisions have been made in Section 444 for new corporations commencing business after the beginning of the base period. Similarly, a special excess profits credit for regulated public utilities appears in Section 446. Personal service corporations and corporations engaged in mining of strategic minerals are treated separately in Sections 447 and 448 respectively.

Following somewhat the wartime Section 721, H. R. 9827 includes a provision covering abnormalities in the base period. Section 454 of the bill provides that where a taxpayer has net abnormal income of 115 percent of its average income, it may attribute the abnormal income to previous or future years as determined under regulations prescribed by the Secretary of the Treasury.

## PERSONNEL

### Food Industry Sanitarians

The Association of Food Industry Sanitarians elected the following officers for 1951 at the association's annual meeting in Fresno, Calif., last week:

President—James B. Robinson, Van Camp Sea Food Co., Inc., Terminal Island, Calif.; vice president—Lloyd F. Fox, Exchange Orange Products Co., Ontario, Calif.; and executive secretary-treasurer—Edwin S. Doyle, National Cannery Association, San Francisco (reappointed). Elected to the board of directors were Dr. Reese H. Vaughn, Division of Food Technology, University of California, and Dr. Ira I. Somers, National Cannery Association, San Francisco.

## PROCUREMENT

### One Million C Rations

The Chicago Quartermaster Depot has completed packaging of 1,000,000 C rations. Packaging of the C-6 ration was begun at the depot in early September and was completed November 3. Output of the assembly line is 70 complete rations a minute, according to an announcement.

### Invitations for Bids

Quartermaster Purchasing Offices—1819 West Pershing Road, Chicago 9, Ill.; Oakland Army Base, Oakland 14, Calif.

Veterans Administration—Procurement Division, Veterans Administration, Wash. 25, D. C.

The Walsh-Healey Public Contracts Act will apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

The QMC has invited sealed bids to furnish the following:

PEACHES—quantities in No. 10 or No. 2½ cans. Bids due in Oakland by Dec. 11 (QM-04-493-50-192).

PLUMS—quantities in No. 10 or No. 2½ cans. Bids due in Oakland by Dec. 11 (QM-04-493-50-193).

PINEAPPLE—quantities in No. 10, No. 2½, or No. 2 cans. Bids due in Oakland by Dec. 12 (QM-04-493-50-194 and -196).

SAUERKRAUT—quantities in No. 2½ cans. Bids due in Chicago by Dec. 12 (QM-11-009-51-1289 and -1290).

TOMATO JUICE—quantities in 46-oz. and No. 2 cans. Bids due in Chicago by Dec. 13 (QM-11-009-51-1278 and -1274).

PORK SAUSAGE—quantities in 1-lb. 7-oz. cans. Bids due in Chicago by Dec. 14 (QM-11-009-51-1330).

CORN—quantities in No. 2 or 303 cans. Bids due in Chicago by Dec. 18 (QM-11-009-51-1347).

SNAP BEANS—quantities in No. 10 or No. 2 cans. Bids due in Chicago by Dec. 20 (QM-11-009-51-1303).

ORANGE JUICE—quantities in 46-oz. and No. 2 cans. Bids due in Chicago by Dec. 21 (QM-11-009-51-1256).

PINEAPPLE JUICE—quantities in No. 3 cyl. or No. 2 cans. Bids due in Oakland by Dec. 28 (QM-04-493-51-191).

SNAP BEANS—quantities in No. 10 or No. 2 cans. Bids due in Chicago by Jan. 3 (QM-11-009-51-1307).

PORK SAUSAGE—quantities in 1-lb. 7-oz. cans. Bids due in Chicago by Jan. 4 (QM-11-009-51-1265).

HAM CHUNKS—quantities in 30-oz. cans. Bids due in Chicago by Jan. 4 (QM-11-009-51-1266).

CORNBED BEEF—quantities in 6-lb. rectangular or 6-lb. 10-oz. round cans. Bids due in Chicago by Jan. 4 (QM-11-009-51-1267).

APPLESAUCE—quantities in No. 10 and No. 2 cans. Bids due in Chicago by Jan. 4 (QM-11-009-51-1298 and -1301).

APPLES—quantities in No. 10 and No. 2 cans. Bids due in Chicago by Jan. 5 (QM-11-009-51-1299, -1300 and -1301).

The Veterans Administration has invited sealed bids to furnish the following:

ANPAPAGUE—quantities in No. 10, No. 2½ or No. 3 cans. Bids due by Dec. 21 (S-142).

### Uniform Inspection of Supplies

Section XIV of the Armed Services Procurement Regulation, establishing uniform policies for inspection and acceptance of supplies and services contracted for by the military departments, has been issued by the Department of Defense.

The new part of the regulation, entitled, "Section XIV, Inspection and Acceptance," will apply to contracts executed on and after January 1, 1951.

Section XIV is the thirteenth sec-

tion of the Armed Services Procurement Regulation to be issued under a Department of Defense program, coordinated by the Munitions Board, to bring about uniformity in all procurement regulations of the armed services. Three remaining sections of the regulation are in preparation.

A major stipulation of the new section is that all inspections of supplies by the military departments are to be in accordance with uniform standards promulgated by the Department of Defense. These include standards as to sampling procedure, statistical quality control needs, gage design, use and care, policies as to exchange of services, methods of interpreting specifications, uniform test terminology, and standardized forms.

The section also provides that a minimum of inspection will be required, consistent with the technical or monetary value of the supplies.

In a section on acceptance of supplies, the regulation provides that, as a rule, if these do not pass inspection they will be returned to the contractor. However, under special circumstances, such as urgency of need, or economy, supplies which fail to meet inspection may be accepted with adjustments as to price or other terms of the contract.

The full text of the regulation may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., at 5 cents a copy.

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